

Message Text

CONFIDENTIAL

PAGE 01 STATE 118499

70

ORIGIN EA-04

INFO OCT-01 ADP-00 /005 R

66650

DRAFTED BY: EA/LC: E. H. KELLY

APPROVED BY: EA/LC: L. M. RIVES

----- 122812

R 182130 Z JUN 73

FM SECSTATE WASHDC

TO AMEMBASSY VIENTIANE

C O N F I D E N T I A L STATE 118499

FOLLOWING SENT ACTION SECSTATE PRIORITY INFO BANGKOK PRIORITY
SAIGON PRIORITY CINCPAC PRIORITY FROM PHNOM PENH JUNE 16 REPEATED
FOR YOU:

QUOTE

PHNOM PENH 5980

FOR STATE/ AID

. O. 11652: GDS

TAGS: EAID, EAGR, CB, TH

SUBJECT: RICE SITUATION

REF (A) STATE 1173-4; (B) PHNOM PENH 5934 (C) PHNOM PENH 5766

1. SUMMARY . THE GKR IS PREPARING TO SEND A HIGH LEVEL DELEGATION
CONSISTING OF THE FOREIGN MINISTER, MINISTER OF COMMERCE,
AND THE PRESIDENT- DIRECTOR GENERAL OF SONEXIM TO SEEK THE
PURCHASE OF 10,000 METRIC TONS OF THAI RICE. IN THE MEAN-
WHILE, THE RICE SITUATION WITHIN COUNTRY CONTINUES TO
DETERIORATE RAPIDLY AND WITH ROUTE 5 BEING DECLARED INSECURE,
AS WELL AS ROUTE 4 BEING CLOSED, STOCKS OF RICE IN PHNOM PENH
ARE DWINDLING TO A VERY DANGEROUSLY LOW LEVEL. UNLESS ADD-
ITIONAL RICE CAN BE BROUGHT TO PHNOM PENH SHORTLY, STOCKS IN
THE CITY COULD BE DEPLETED BEFORE THE END OF JUNE. END SUMMARY.
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 118499

2. IN A CONVERSATION THIS MORNING SAPHON SARASY, MINISTER OF COMMERCE ADVISED ACTING ECONOMIC COUNSELOR SOHLIN THAT THE GOVERNMENT HAD DECIDED YESTERDAY IN THE COUNCIL OF MINISTERS MEETING TO SEND A DELEGATION TO THAILAND TO SEEK THE PRUCHASE OF 10,000 TONS OF THAI RICE. THE DELEGATION WILL BE COMPOSED OF THE FOREIGN MINISTER, MINISTER OF COMMERCE, AND THE PRESIDENT- DIRECTOR GENERAL OF SONEXIM, AS WE RECOMMENDED IN REF. B. ACCORDING TO SAPHON SARASY, THE FOREIGN MINISTER CONTACTED THE THAI AMBASSADOR YESTERDAY AFTERNOON TO REQUEST THAT THE AMBASSADOR TRANSMIT TO HIS GOVERNMENT THE FOREIGN MINISTER' S DESIRE TO SEE THE PRIME MINISTER. THE FOREIGN MINISTER HAS ALSO ADVISED THE KHMER AMBASSADOR IN THAILAND OF THIS PROPOSED VISIT. IN THE MEANTIME, HOWEVER, AS INDICATED IN REF. C, THE KHMER AMBASSADOR IN BANGKOK AND MR YI SEANG ARE ALREADY COLLABORATING TO PREPARE A REQUEST FOR A QUOTA OF RICE FROM THAILAND.

3. IN THE MEANWHILE, THE RICE SITUATION WITHIN COUNTRY IS DETERIORATING RAPIDLY. SINCE THE OPENING OF ROUTE 5, THE GKR HAS BEEN ABLE TO MOVE ONLY 775 METRIC TONS OF RICE IN TWO CONVOYS FROM BATTAMBANG TO PHNOM PENH BEFORE THE ROUTE WAS DECLARED TO BE INSECURE AND TRAFFIC WAS HALTED ON JUNE 15. WITH ROUTE 4 CUT, STOCKS OF RICE IN PHNOM PENH ARE DROPPING RAPIDLY. AS OF JUNE 15, STOCKS OF RICE IN PHNOM PENH (INCLUDING THE 775 METRIC TONS ARRIVING ON THE JUNE 13 AND 14 TH CONVOYS) TOTALLED APPROXIMATELY 7,904 METRIC TONS OR 11 DAYS' SUPPLY IF THE CURRENT RATE OF 700 METRIC TONS PER DAY CONTINUES. AN ADDITIONAL 1,650 METRIC TONS ARE EXPECTED TO ARRIVE ON THE JUNE 18 TH MEKONG CONVOY BUT THIS WILL ADD ONLY ENOUGH RICE TO CARRY STOCKS UNTIL JUNE 28 WHEN TWO BARGES OF RICE CARRYING ABOUT 3,000 METRIC TONS ARE EXPECTED.

4. SINCE THE PROSPECTS FOR OPENING ROUTE 4 IN THE IMMEDIATE FUTURE DO NOT APPEAR GOOD AND ROUTE 5 IS QUESTIONABLE, WE ARE ATTEMPTING TO ARRANGE FOR A SPECIAL MEKONG RICE CONVOY WHICH WE HOPE CAN BE CARRIED OUT IN BETWEEN THE REGULAR CONVOYS SCHEDULED ON JUNE 18 AND 28. (WITH THE ARRIVAL OF THE RUTH LYKES, STOCKS IN KOMPONG SOM STAND AT 14,804 METRIC TONS.)

5. IN ADDITION TO ARRANGING FOR A SPECIAL RICE CONVOY WE PLAN TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 118499

DO EVERYTHING POSSIBLE TO CURB THE PRESENT HIGH DISTRIBUTION RATE. (IN THE TWO DAYS BEFORE THE PRICE INCREASED, A TOTAL OF 2,190 M/ T WAS DISTRIBUTE D.) IN OUR MEETING WITH SAPHON SARASY THIS MORNING WE STRESSED THE URGENCY OF TAKING IMMEDIATE STEIS TO RDUCE DISTRI-BUTION. SARASY SAID THAT HE HAD BEEN INSTRUCTED TO REDUCE THE RICE DISTRIBUTION RATE AND THOUGHT IT MIGHT BE LOWERED TO 600 M/ T PER DAY. ON MONDAY WE PLAN TO MEET AGAIN WITH SARASY IN AN EFFORT TO

REDUCE THE DISTRIBUTION RATE FURTHER TO 550 M/ T PER DAY.

6. WITH RESPECT TO OTHER RELATED RICE MATTERS DURING THE CONVERSATION WITH SAPHON SARASY THIS MORNING, KHUN CHUP OF SORAPA WAS CALLED IN TO DISCUSS THE RICE SITUATION IN BATTAMBANG. IN ADDITION TO THE ECONOMIC MEASURES ADOPTED BY THE COUNCIL OF MINISTERS YESTERDAY WHICH HAVE BEEN TRANSMITTED SEPARATELY, THE GKR HAS AUTHORIZED SORAPA TO PAY THE FOLLOWING PRICES FOR RICE IN BATTAMBANG:

1/15	5,200 RIELS
1/25	5,000 RIELS
1/50	4,500 RIELS
2/50	4,000 RIELS
BROKENS 1/2	3,200 RIELS

KHUN CHUP SAID THAT AT THE ABOVE PRICES HE BELIEVED SORAPA COULD PRODUCE A MINIMUM OF 10,000 M/ T OF MILLED RICE. IN ADDITION, SORAPA HAS 4,000 TONS IN ITS WAREHOUSE IN BATTAMBANG AND SATRAR HAD 5,000 TONS IN BATTAMBANG. WE POINTED OUT TO KHUN CHUP THAT THIS 19,000 TONS WAS FAR SHORT OF THE 27,000 M/ T RECENTLY ESTIMATED TO BE IN BATTAMBANG. KHUN CHUP INDICATED THAT SORAPA MIGHT BE ABLE TO PURCHASE MORE THAN 10,000 M/ T. WE RECOMMENDED THAT SORAPA DO WHATEVER WAS NECESSARY TO BUY AS MUCH RICE AS POSSIBLE. WE POINTED OUT THAT SHOULD THERE BE FINANCIAL CONSTRAINTS, WE WOULD BE PREPARED TO MAKE ADDITIONAL COUNTERPART ADVANCES FOR THIS PURPOSE. FYI : MILLINGTON IS IN BATTAMBANG THIS WEEKEND TO MAKE AN INDEPENDENT ASSESSMENT OF THE RICE SUPPLY

SITUATION THERE. WE WILL REPORT ON THIS AFTER HIS RETURN. END
FYI. SWANK

UNQUOTE. ROGERS

CONFIDENTIAL

NNNNMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 18 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: collinp0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE118499
Document Source: CORE
Document Unique ID: 00
Drafter: EA/LC: E. H. KELLY
Enclosure: n/a
Executive Order: GDS
Errors: n/a
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730622/aaaajegf.tel
Line Count: 152
Locator: TEXT ON-LINE
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: collinp0
Review Comment: n/a
Review Content Flags:
Review Date: 03 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03-Dec-2001 by kelleyw0>; APPROVED <25 FEB 2002 by collinp0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 980211
Subject: RICE SITUATION
TAGS: EAGR, EAID, CB, TH
To: VIENTIANE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005